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BOOK REVIEWS.

Geschichte der Nationalökonomie. By AUGUST ONCKEN. In zwei Teilen. Erster Teil: "Die Zeit vor Adam Smith." Mit zwei Tafeln. Leipzig: C. L. Hirschfeld, 1902. Large 8vo, pp. x + 516.

THIS is the first part of Vol. II in the economic section of the ambitious series, "Hand- und Lehrbuch der Staatswissenschaften," begun by Kuno Frankenstein and being continued under the editorship of Max von Heckel. Seventeen other volumes have already appeared in the same section, four more in the section on finance, and three in that on politics. The two parts of the present volume are planned as companion-pieces to the history of socialism and communism by Professor Adler, of Kiel.

The present volume is from the pen of the well-known "Historian of the Physiocrats," Dr. August Oncken. In a certain sense it is a continuation of the work he has already done, as the "history of political economy" here set forth is not extended so very far beyond the bounds of the physiocratic system.

In his preface the author states that his ambition has been to handle his subject in a manner different from that which has been customary in the past. "It is not," he says, "a chronological list of books, but a history of economic-social ideas and problems, that the author has aimed to produce." This aim, he further, and almost apologetically, explains, has narrowed his material in certain directions and widened it in others. It has narrowed it, in that the aim has been to lay emphasis upon the characteristic elements rather than upon literary-historical completeness; widened it, in that consideration is given to those historical facts which gave occasion for the development of the economic theories. We are thus warned in the beginning not to expect literary-historical completeness. In another part of the preface he says:

True science does not deal with facts, but with truths, that is, with judgments in which the facts constitute an unimportant ingredient, but only an ingredient.

The object of the book is, therefore, to set forth the historical develop-

ment of those theories which the author believes have evolved into true science, in the sense of eternal truth. The reviewer is not prepared to accept the selection of economic truths which the author of this history has made. But there is no quarrel with the ideal as set forth, save from the, possibly, pessimistic point of view that no permanent truths have yet been developed in economics, which again is not the belief of the reviewer. It is, therefore, exceedingly difficult to criticise fairly the author's selection of theories and principles; for to do so would be merely setting the opinion of the reviewer as to what are likely in the long run to prove permanent truths against that of the author. This would open a controversy which would tend to distract attention from the many real merits of the book in hand and lead far beyond the natural limits of a book review. This much is certain: anyone who hereafter undertakes to write a history of political economy will have to defend his view of what that history should include against the strong views set forth in this volume.

The book before us is a vigorous, frank defense of the author's opinion that the physiocrats, whose work has been his life-study, actually originated "the true science of political economy." The implication is that Adam Smith simply took up the work where they left it, and that his successors, in so far as they have worked to any purpose, simply continued along the same lines. A development of this idea is promised in the next volume. There can, however, be no question that the present half-volume is of the greatest value as a contribution to the history of the physiocrats, and of those peculiar views for which they stood. As such, it is replete with interest and indispensable to every student of economics.

In the lengthy introductory chapter Dr. Oncken sets forth the various points of view from which he intends to study the field. The mercantile system he considers as the mere forerunner (*Vorgeschichte*) of political economy. But the history of political economy, as a science, begins with Quesnay, or with the establishment of the physiocratic system in the second half of the eighteenth century.

The three different methods which have been employed in political economy Dr. Oncken characterizes as the "exact or philosophical," the "historical or better the historical-statistical," and the "historical-philosophical," which alone, he believes, possesses a synthetic character. He proclaims himself an adherent of the last, thus inviting the criticism of the adherents of the other methods, and proceeds to demonstrate his meaning in the work at hand. His general point of

view is that the chief problem of political economy is a "social question," and this he defines briefly as the struggle of the fourth estate to emancipate itself from the third. The aim of the third estate (*Nährstand*) is to maintain the institution of private property; that of the fourth estate, to establish community of ownership. This, with what has already been stated above, is sufficient to exemplify the strong controversial tone of the book. In the opinion of the reviewer, this is one of its greatest merits, little as he is inclined to agree with the author on many of the controversial points.

In general, the plan of the book is this: Assuming that the work of Quesnay marked the birth of the actual "science" of political economy, the author has sought in the writings of the older economists and in the history of the times preceding Quesnay the origins of that writer's views and theories. He covers the classical period and the Middle Ages, apparently as a concession to the anticipated demand for literary-historical completeness, and runs over the mercantilists, apparently for the sake of showing the futility of their efforts, and then turns with obvious love and affection to the representatives of what he tells us is the true science, namely, to the physiocrats. He sums up his somewhat restricted survey of the mercantilists with the judgment that it was a mere expression of the times (*Zeitströmung*), not a unified system; it had not merely an economic, but also a political, and even a religious, content. It was a whole bundle of systems, whose sole common characteristic was a decidedly practical strain. Then, after a prolonged investigation of the forerunners of the physiocrats, he turns with enthusiasm to his one hero. At this point the style of the book, although sprightly and readable from the beginning, changes. A certain perfunctoriness which here and there crops out in the earlier chapters disappears, and the reader cannot but feel the lively interest the author has in this part of his subject. Quesnay becomes a veritable hero. "The physiocratic system was created by one master, not by many, and this one master was FRANÇOIS QUESNAY." This hero, his life, his work, especially his *tableau économique*, of which two fascimiles are presented, his friends and his enemies, his disciples and his followers, occupy the greater part of the book. The work ends with the fall of Turgot and the "eclipse of physiocratic magnificence."

Among the many striking features of the book from the mere point of view of literary-historical completeness, two points are especially conspicuous. The first is the almost entire neglect of Eng-

lish economic writers. Even Petty is passed over with a few appreciative sentences ending in the judgment that he was not the father of political economy, but the father of political arithmetic or statistics—a classification that does not commend itself. The second is the low estimate placed upon the creative work of Turgot. We are led to feel that he was a mere imitator, a sort of commentator on the text of Quesnay, and that he was responsible through his weakness for the downfall of physiocracy.

It would lengthen this review unduly to go through the book in detail, even if it were possible for the reviewer to judge correctly the estimates offered of all the writers, doctrines, and policies which are rehearsed by the author. All that has been attempted is a general survey of the work. This brevity is, however, the less to be regretted as this history of political economy is of such marked merit and broad scholarship that, no matter what its demerits or how we may individually differ from the views of the author, all economists will feel obliged to consult it. It falls among the indispensable handbooks in every economic library.

The work contains an excellent bibliography.

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The History of the Greenbacks. By WESLEY CLAIR MITCHELL.
[The Decennial Publications of the University of Chicago.]
Chicago: The University of Chicago Press, 1903. 8vo,
pp. xvi + 577.

THE world's greatest experiment in fiat money was in the United States from 1862 to 1878. We have here an adequate and, for a long time probably, a final account of it during the most interesting period—the period covered by the Civil War. Although the narrative is continued well through 1865 and some of the tables into 1866, still the course of the experiment after the war may be considered as untouched by this work.

The volume is in three approximately equal portions: the narrative history, the economic discussions, and the statistical appendices containing the data on which most of the economic discussions are based. The two portions into which the text is divided are designated respectively Part I and Part II.

Part I is in five chapters. The first of these narrates the financial